

SENATE BILL 230

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2000 Regular Session
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CF HB 220

By: ~~Senators Kasemeyer and Bromwell, Bromwell, Hoffman, Van Hollen,~~
Currie, Hogan, Lawlah, Madden, McFadden, Middleton, Munson, Neall,
Ruben, Stoltzfus, and Stone

Introduced and read first time: January 27, 2000
Assigned to: Budget and Taxation

Committee Report: Favorable with amendments
Senate action: Adopted
Read second time: March 21, 2000

CHAPTER _____

1 AN ACT concerning

2 **Motor Vehicle Titling Tax - Exercise of Option to Purchase Under Vehicle**
3 **Leasing Agreement**

4 FOR the purpose of exempting from the motor vehicle titling tax a vehicle titled in
5 this State that is transferred to a lessee who exercises an option under a vehicle
6 lease to purchase the leased vehicle at the end of the lease; ~~and~~ providing for the
7 application of this Act; providing for a delayed effective date; and generally
8 relating to exemptions to the motor vehicle titling tax.

9 BY repealing and reenacting, with amendments,
10 Article - Transportation
11 Section 13-810(c)
12 Annotated Code of Maryland
13 (1999 Replacement Volume and 1999 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Transportation**

17 13-810.

18 (c) On transfer of a vehicle titled in this State and issuance of a subsequent
19 certificate of title, the vehicle is exempt from the excise tax imposed by this part, if it
20 is:

1 (1) A vehicle transferred to a spouse, son, daughter, grandchild, parent,
2 sister, brother, grandparent, father-in-law, mother-in-law, son-in-law, or
3 daughter-in-law of the transferor, and no money or other valuable consideration is
4 involved in the transfer;

5 (2) A vehicle repossessed under a security agreement, unless the sale of
6 the vehicle is required under the agreement;

7 (3) A vehicle transferred from an individual to a partnership, limited
8 liability company, or corporation or from a partnership, limited liability company, or
9 corporation to a subpartnership, subsidiary limited liability company, or subsidiary
10 corporation, if the individual, partnership, limited liability company, or corporation is
11 a partner, member, or principal stockholder of the newly formed partnership,
12 subpartnership, limited liability company, subsidiary limited liability company,
13 corporation, or subsidiary corporation, as the case may be;

14 (4) A vehicle transferred to a legal heir, legatee, or distributee;

15 (5) A vehicle involuntarily transferred as a result of divorce or separation
16 proceedings;

17 (6) A vehicle that is jointly owned and transferred to the name of one of
18 the owners, if the transferee can establish to the satisfaction of the Administration
19 that the transferor did not pay any part of the original purchase price of the vehicle or
20 any applicable taxes or fees for the vehicle;

21 (7) A vehicle transferred by a corporation to its stockholder or
22 stockholders or by a limited liability company to its member or members as a
23 liquidating distribution of tangible personal property where the vehicle or vehicles
24 transferred are not a principal or substantial asset of the corporation or limited
25 liability company as determined by the Administration;

26 (8) A vehicle transferred as a result of a reorganization within the
27 meaning of § 368(a) of the Internal Revenue Code; [or]

28 (9) A vehicle transferred to a Family Investment Program recipient or an
29 individual certified by the Department of Human Resources or a local department of
30 social services as eligible for transfer of the vehicle that was exempted from the excise
31 tax imposed by this part under subsection (a)(24) of this section[.]; OR

32 (10) A VEHICLE TRANSFERRED TO A LESSEE WHO EXERCISES AN OPTION
33 UNDER A VEHICLE LEASING AGREEMENT FOR AN INITIAL TERM OF MORE THAN 180
34 CONSECUTIVE DAYS TO PURCHASE THE LEASED VEHICLE AT THE END OF THE
35 LEASE.

36 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
37 effect ~~October 1, 2000~~ July 1, 2001 and shall be applicable to any vehicle transferred
38 on or after ~~October 1, 2000~~ July 1, 2001.

